



Housing and the Labor Market

Northern St. Louis County, MN

Carson Gorecki – Northeast Minnesota Labor Market Analyst

Labor Market Information Office (<http://mn.gov/deed/data>)

- Each state produces employment and economic statistics in cooperation with the U.S. Department of Labor's Bureau of Labor Statistics
- LMI includes employment statistics, unemployment rates, wages and salaries, job projections and more
- LMI is the foundation for informed, market-responsive planning

The screenshot shows the homepage of the Minnesota Employment and Economic Development (DEED) website. The header features the DEED logo and the text "EMPLOYMENT AND ECONOMIC DEVELOPMENT" against a background of a city skyline. Below the header is a navigation bar with links: "For Job Seekers", "For Business", "For Government", "About Us", "Data", and "A-Z Index". The main content area is divided into two sections. On the left, there is a promotional banner for a "Small Business Assistance Playlist" featuring a play button icon and a building illustration, with the text "Watch our videos for quick tips on starting your business!". On the right, the "Latest News" section highlights two articles: "Minnesota Adds 14,800 Private Sector Jobs in May" and "Labor force participation rate increases as more and more Minnesotans head back to work", dated June 17, 2021. A brief summary of the second article mentions that Minnesota gained jobs for the fifth straight month, adding 12,300 jobs in May, up 0.4% on a seasonally adjusted basis with the private sector up 14,800 jobs or 0.6%.

Small Business Assistance Playlist

Watch our videos for quick tips on starting your business!

Latest News

Minnesota Adds 14,800 Private Sector Jobs in May

Labor force participation rate increases as more and more Minnesotans head back to work

June 17, 2021

For the fifth straight month, Minnesota gained jobs. Minnesota added 12,300 jobs in May, up 0.4% on a seasonally adjusted basis with the private sector up 14,800 jobs or 0.6%.

DEED Has Called More than 30,000 Unemployed Minnesotans, Connecting Them with Job Resources and Work Opportunities

What are we covering today?

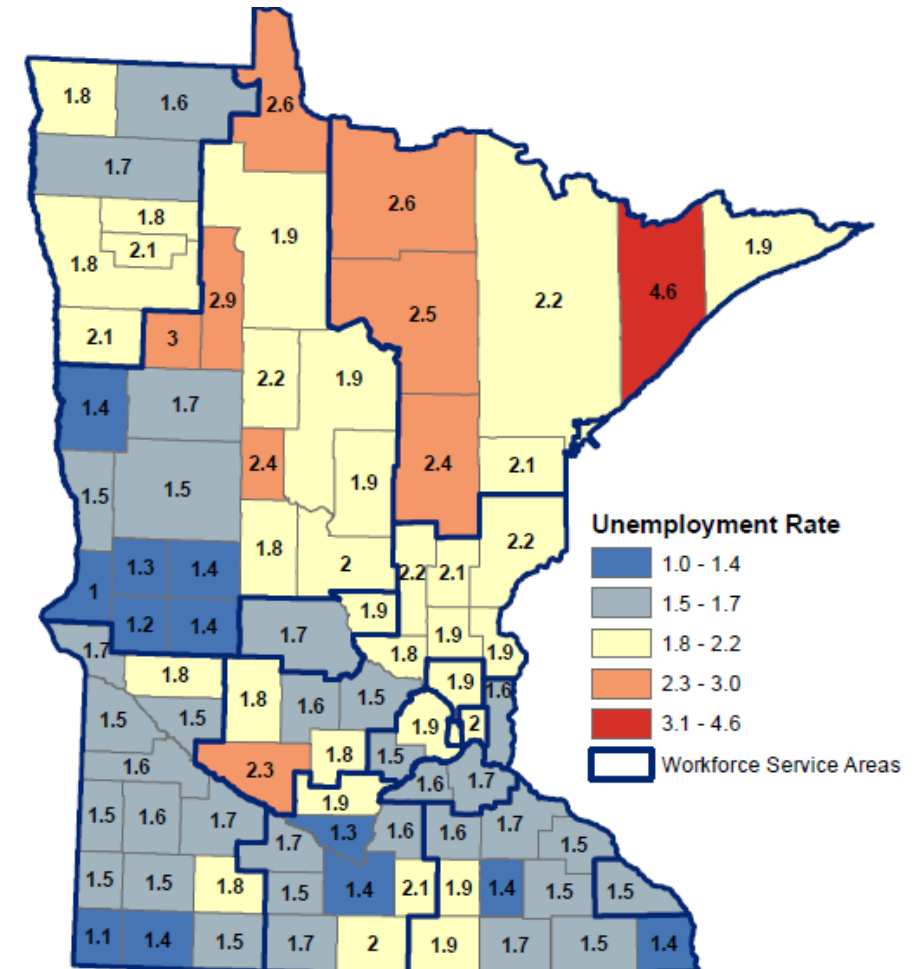
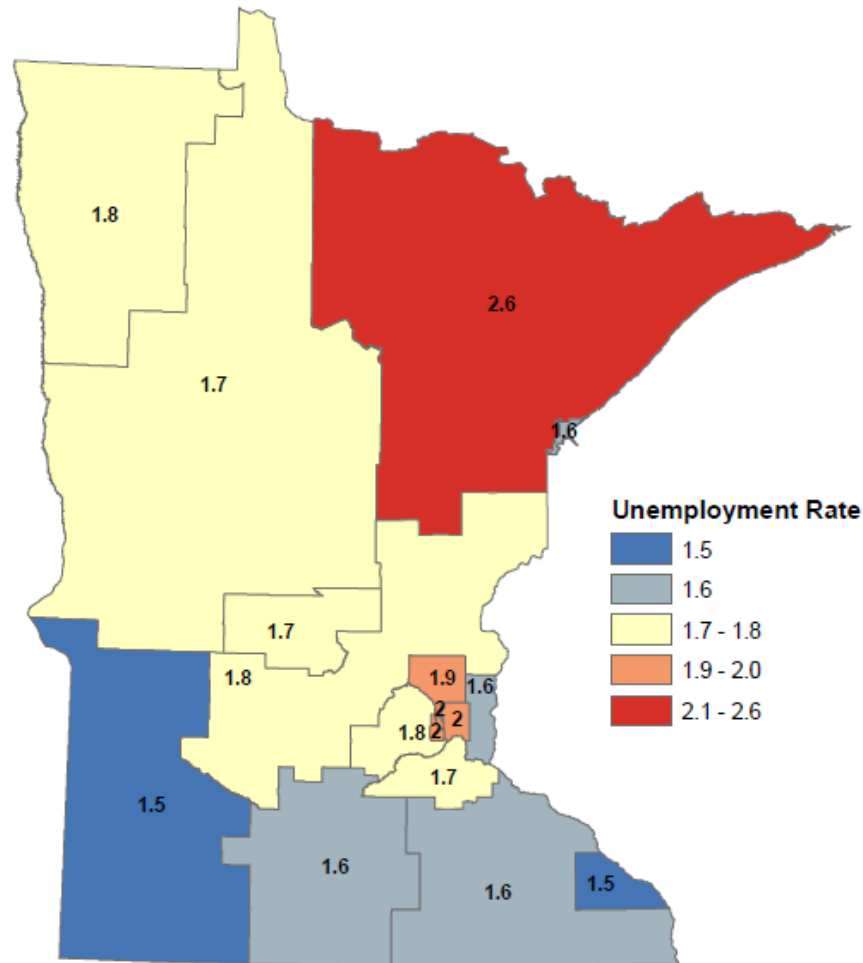
- Labor Market Trends
- Northern St. Louis County housing characteristics and trends
- The relationship between housing and employment

Minnesota's labor market situation

LAUS: September 2022

Unemployment Rates in Workforce Service Areas and Counties, September

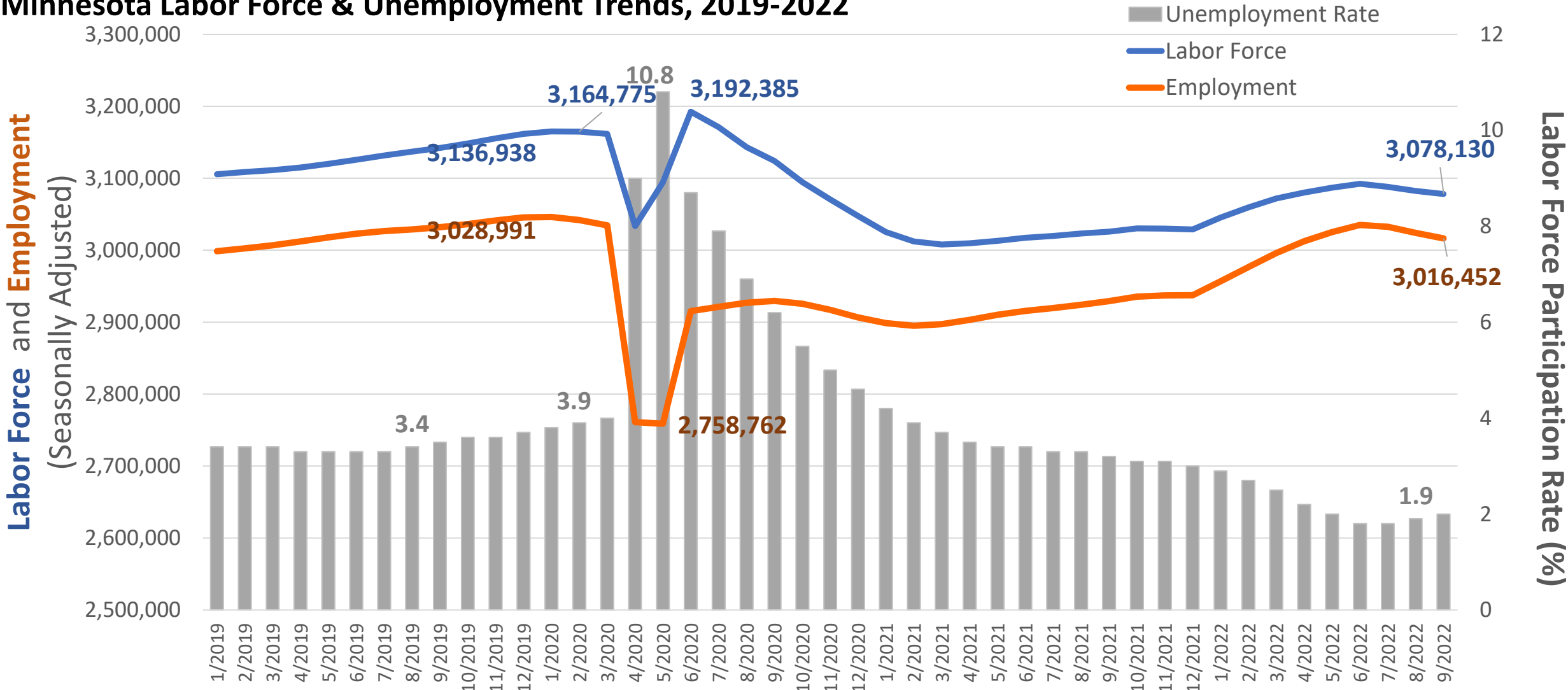
State of Minnesota = 1.8% (not seasonally adjusted)



Labor force trends

Local Area Unemployment Statistics: 2019 to September 2022

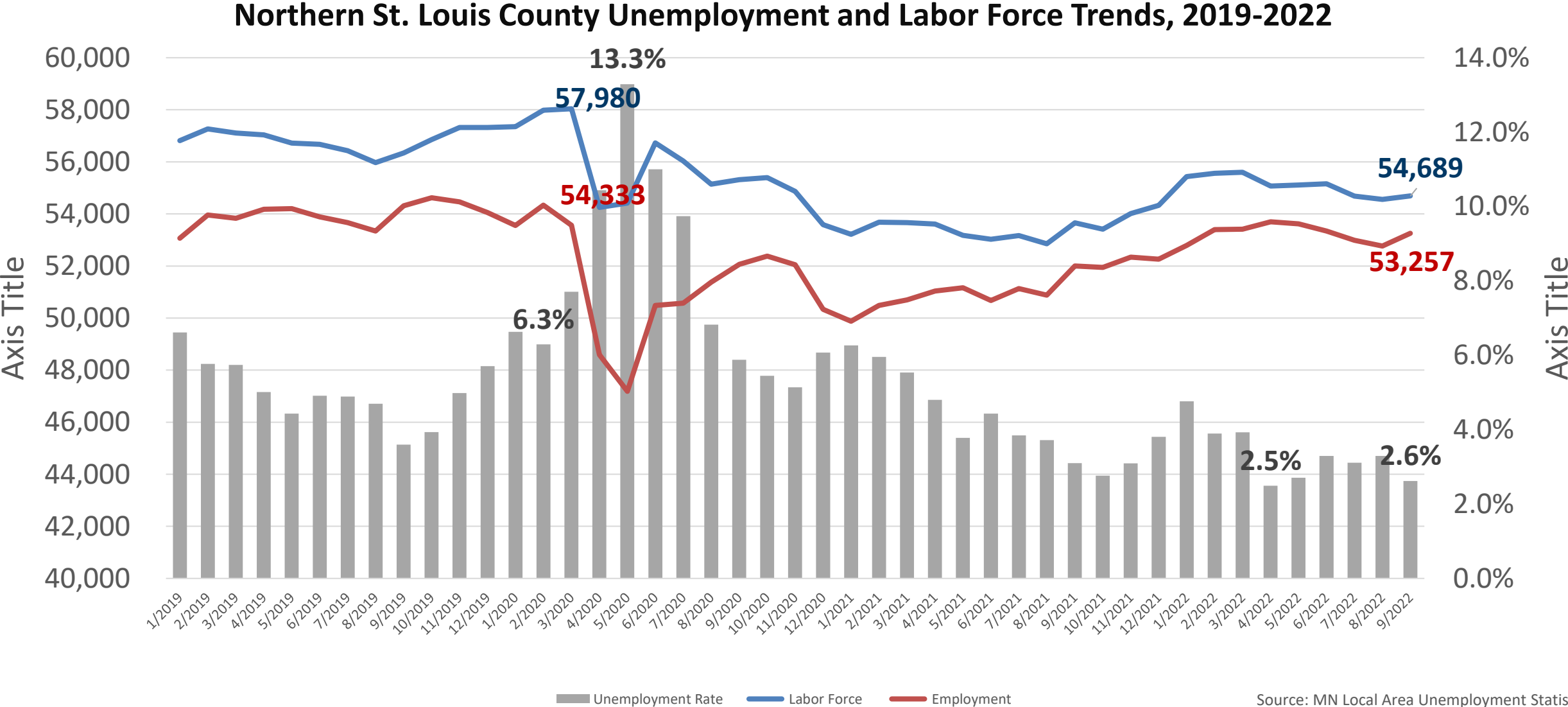
Minnesota Labor Force & Unemployment Trends, 2019-2022



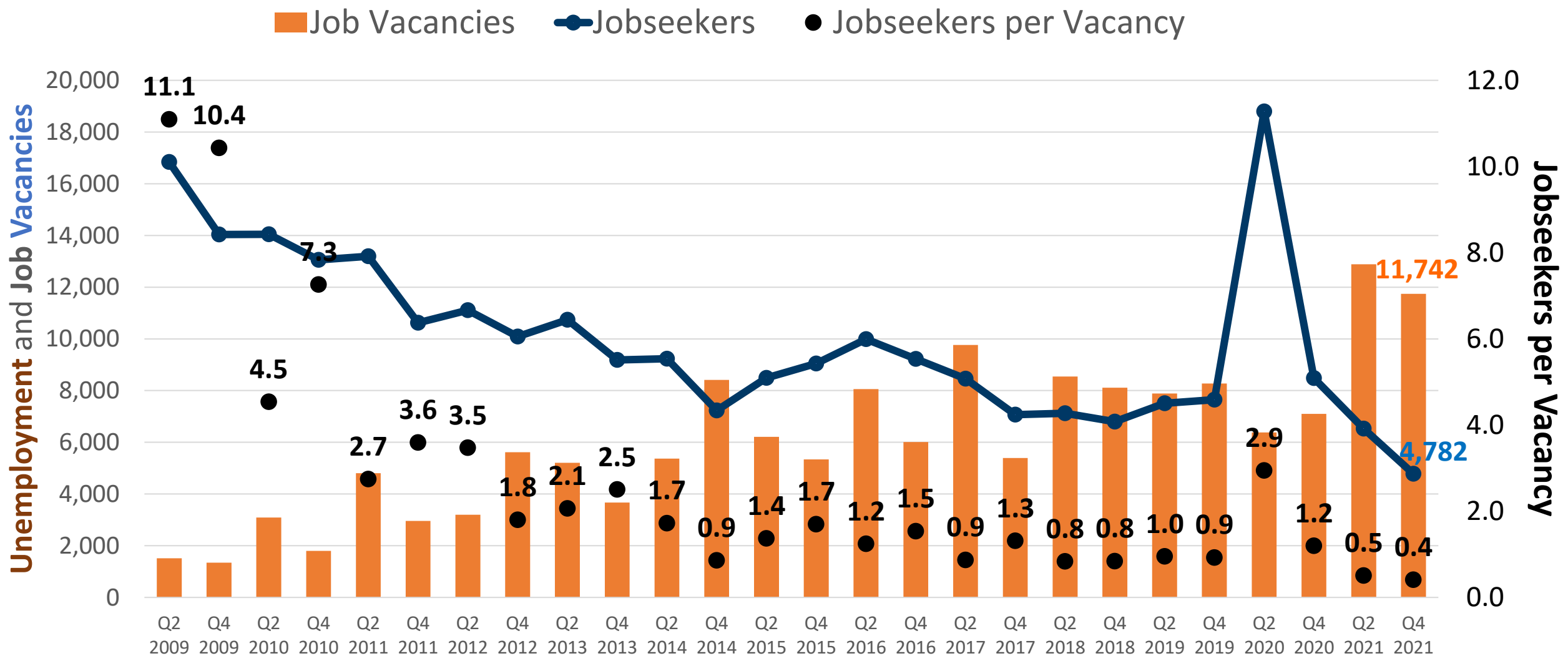
Source: DEED Local Area Unemployment Statistics

Labor force trends

Local Area Unemployment Statistics: 2019 to September 2022



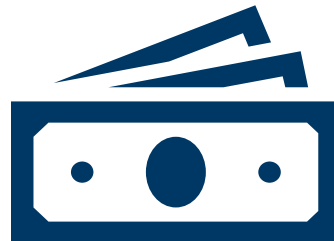
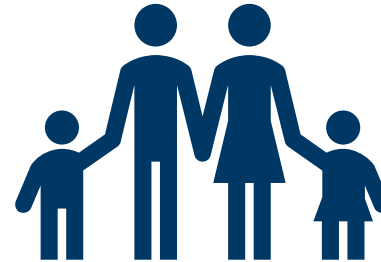
Jobseekers per Vacancy, Northeast Minnesota



Source: DEED LAUS, DEED JVS

Northern St. Louis County Housing Characteristics

- 64,196 housing units
 - 82.4% are single unit, detached
 - 76.7% occupied
 - 82% owner, 18% renter-occupied (MN: 73/27)
- 6.5% were built since 2010; 40.7% before 1960
- Median value of owner-occupied units: \$175,150
- Median rent: \$837/mo*

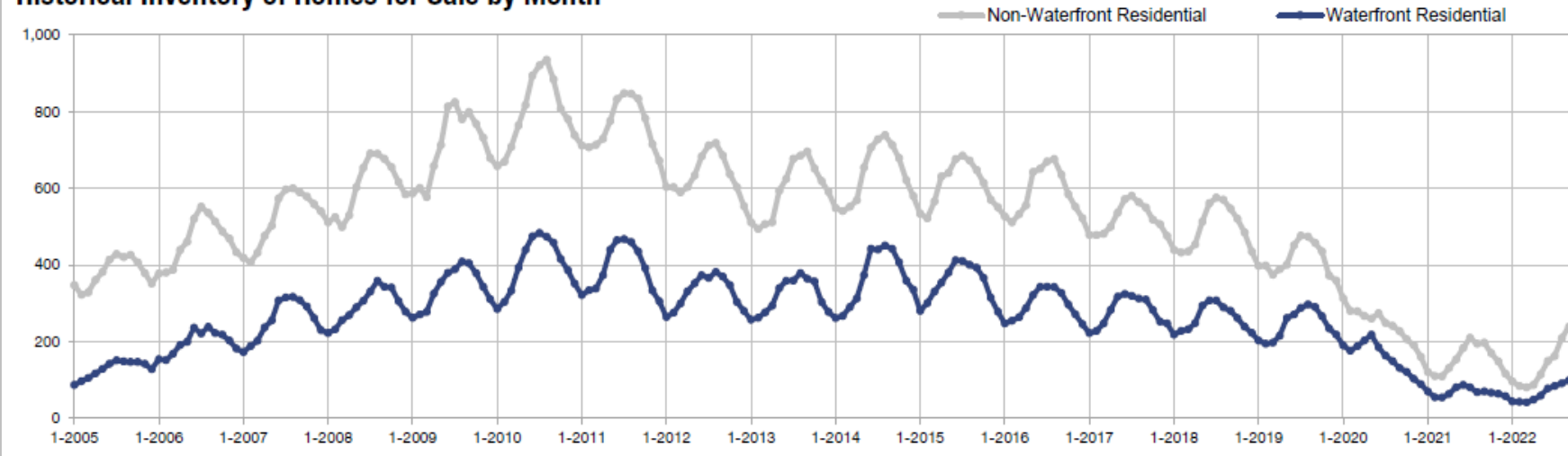


Range Area Realtors Report: Homes for Sale

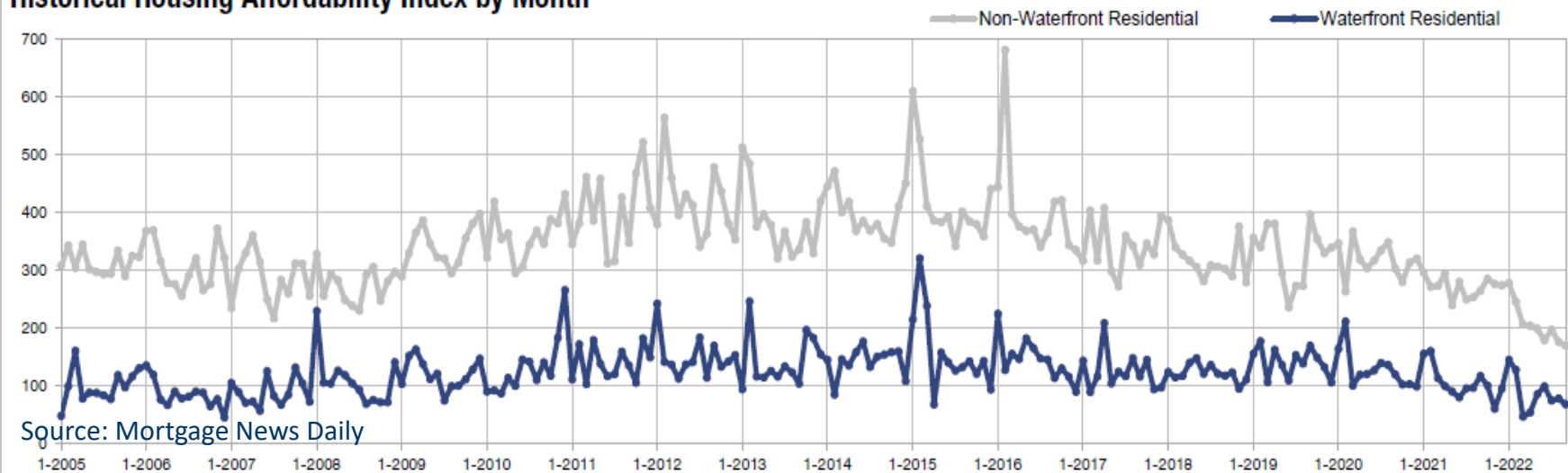
- Supply is up slightly compared to 2021
 - Still lower than any year since 2005
- Number of new listings and closed sales down
- YTD Median sales prices up 4.4% OTY
 - +10% for Non-Waterfront homes
- Lowest affordability index since 2005 (170 for NWF)
- Decreased affordability as mortgage rates rise, more than doubling OTY

10/31/2022

Historical Inventory of Homes for Sale by Month



Historical Housing Affordability Index by Month



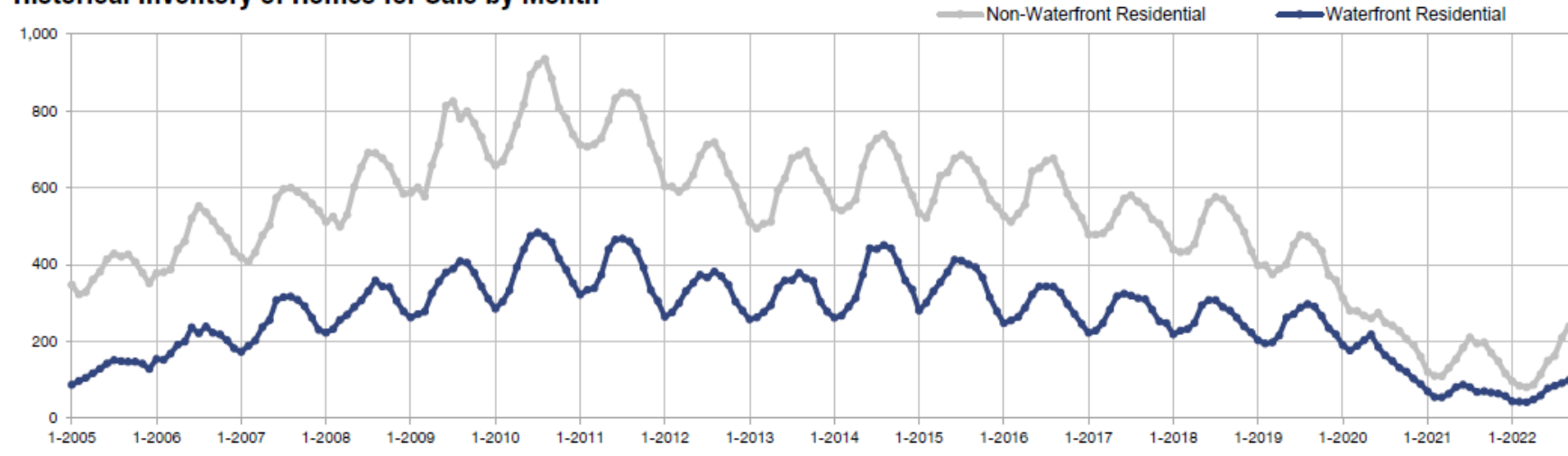
Source: Mortgage News Daily

Range Area Realtors Report: Homes for Sale

- Supply is up slightly compared to 2021
 - Still lower than any year since 2005
- Number of new listings and closed sales down
- YTD Median sales prices up 4.4% OTY
 - +10% for Non-Waterfront homes
- Lowest affordability index since 2005 (170 for NWF)
- Decreased affordability as mortgage rates rise, more than doubling OTY

11/1/2022

Historical Inventory of Homes for Sale by Month



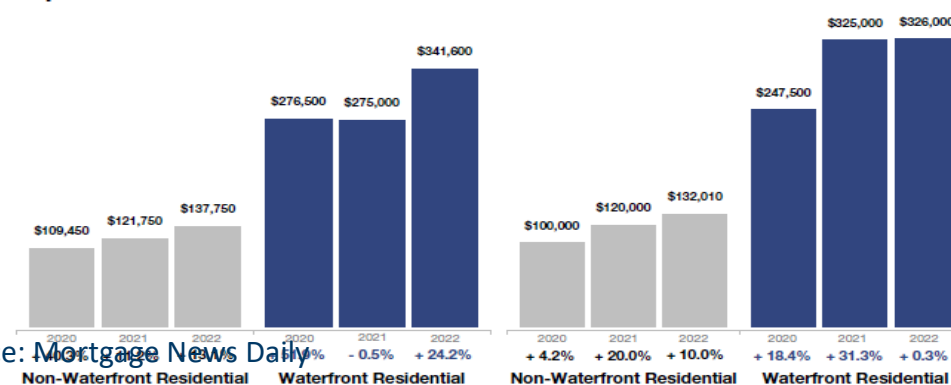
Median Sales Price

Point at which half of the sales sold for more and half sold for less, not accounting for seller concessions, in a given month.



September

Year to Date



Median Sales Price	Non-Waterfront Residential	Year-Over-Year Change	Waterfront Residential	Year-Over-Year Change
Oct-2021	\$113,000	-5.4%	\$320,000	-1.5%
Nov-2021	\$119,900	+11.6%	\$545,300	+67.8%
Dec-2021	\$115,000	+9.5%	\$330,000	-2.2%
Jan-2022	\$110,000	-1.8%	\$210,000	-1.6%
Feb-2022	\$122,750	+5.4%	\$235,500	+19.2%
Mar-2022	\$133,000	+14.7%	\$584,500	+110.6%
Apr-2022	\$124,900	+13.5%	\$469,450	+44.6%
May-2022	\$130,252	-3.7%	\$302,575	-15.2%
Jun-2022	\$140,000	+21.7%	\$252,500	-36.9%
Jul-2022	\$133,000	+2.4%	\$350,000	+3.6%
Aug-2022	\$147,500	+15.1%	\$332,000	-0.7%
Sep-2022	\$137,750	+13.1%	\$341,600	+24.2%
12-Month Avg*	\$128,500	+8.9%	\$333,200	+2.5%

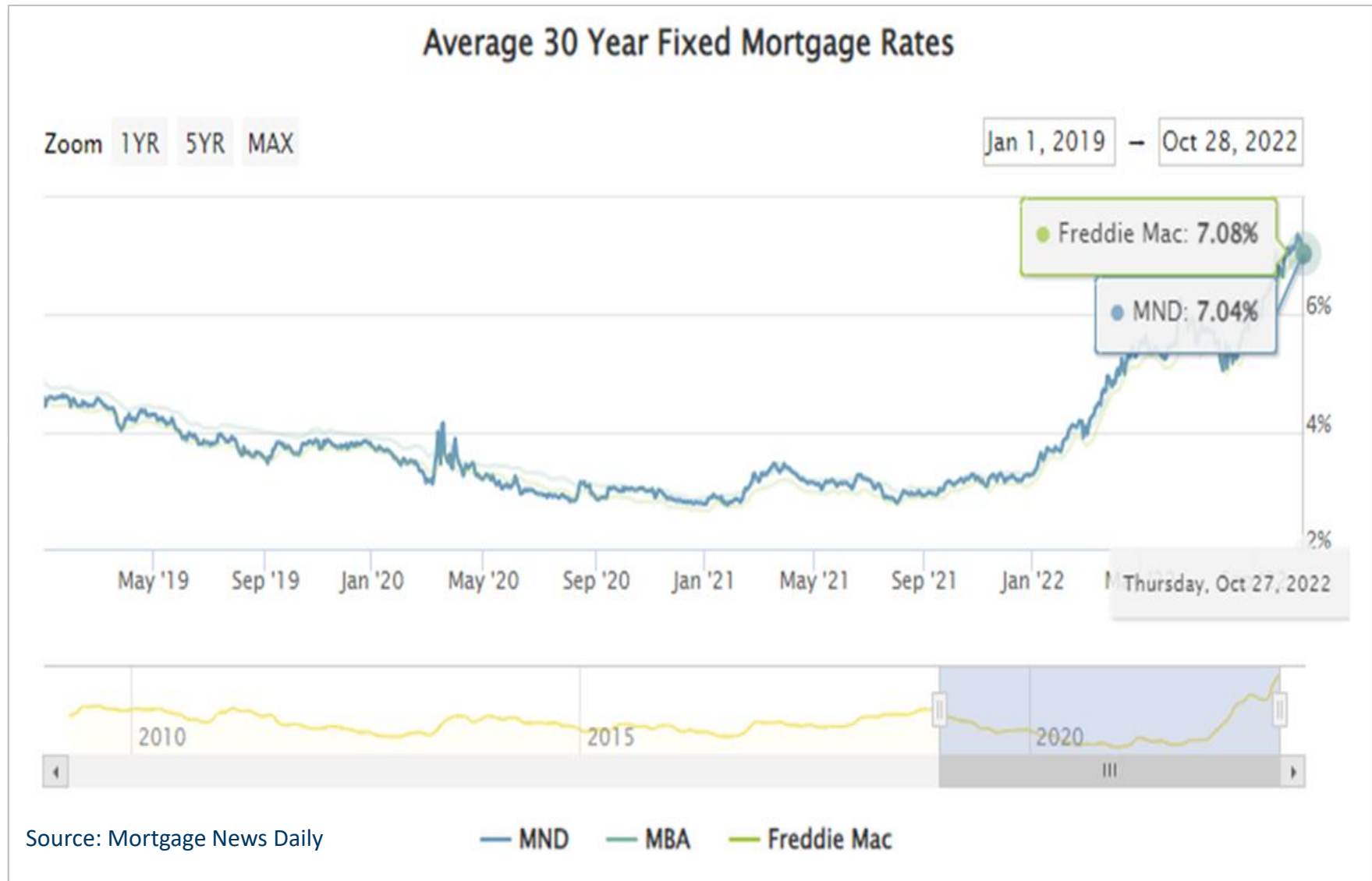
* Median Sales Price for all properties from October 2021 through September 2022. This is not the average of the individual figures above.

Source: Mortgage News Daily

Range Area Realtors Report: Homes for Sale

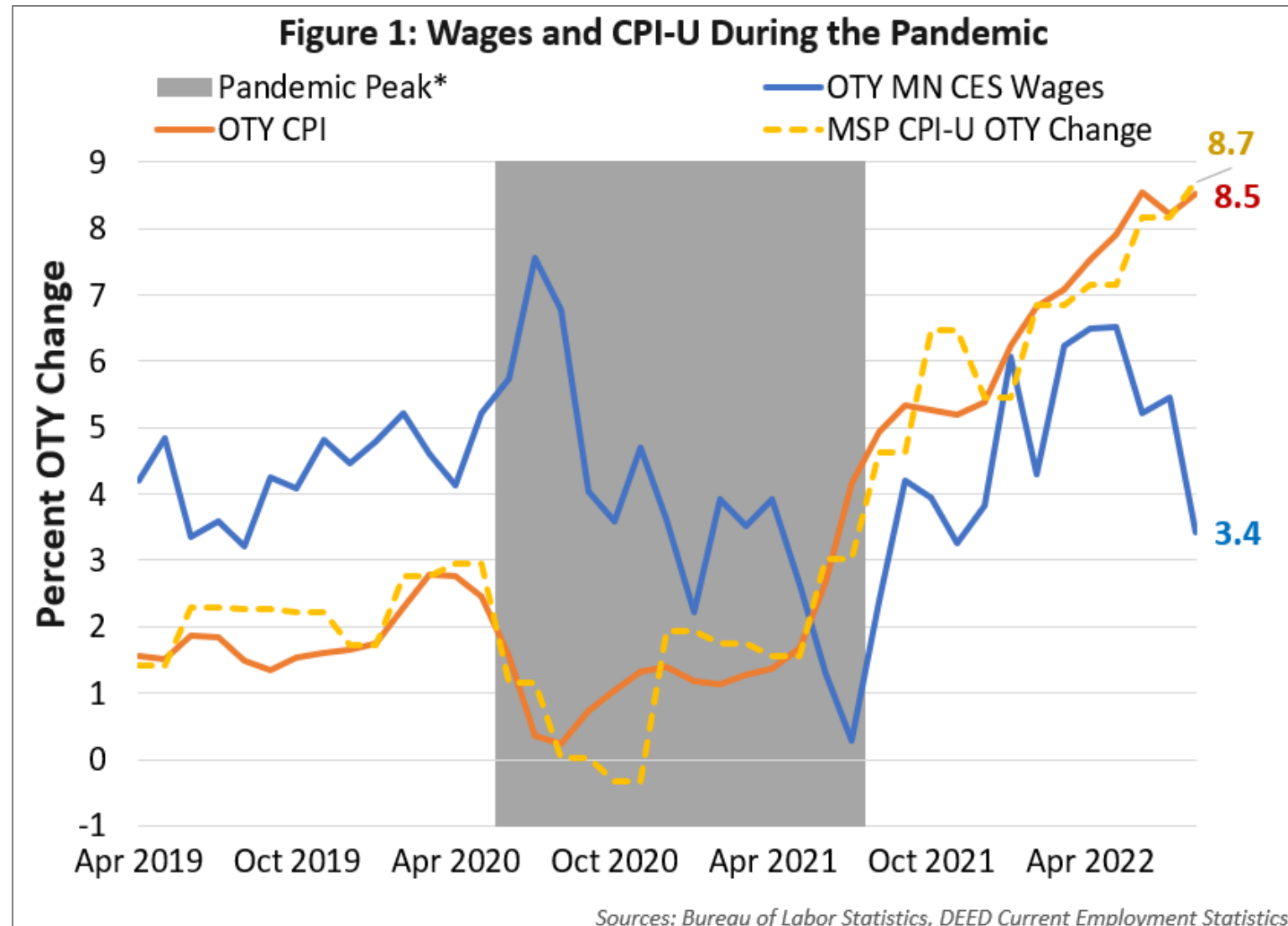
- Supply is up slightly compared to 2021
 - Still lower than any year since 2005
- Number of new listings and closed sales down
- YTD Median sales prices up 4.4% OTY
 - +10% for Non-Waterfront homes
- Lowest affordability index since 2005 (170 for NWF)
- Decreased affordability as mortgage rates rise, more than doubling OTY

11/1/2022



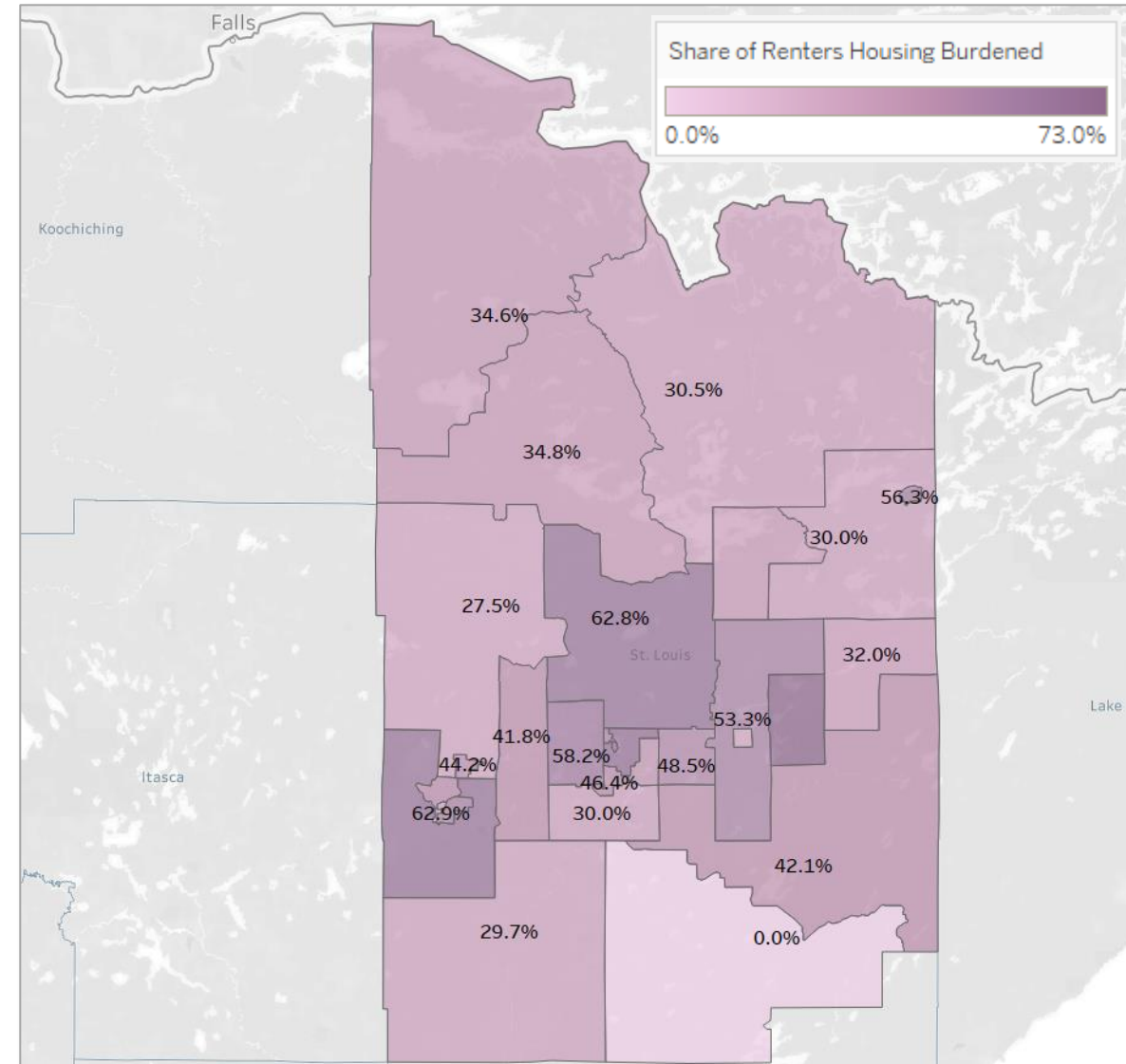
Wages and Income vs. Inflation

- Wage growth initially kept up, but has since slowed relative to rate of price growth
- Wage growth in N. SLC:
 - 2020-2021: 4.9%
 - 2021-2022: 7.7%



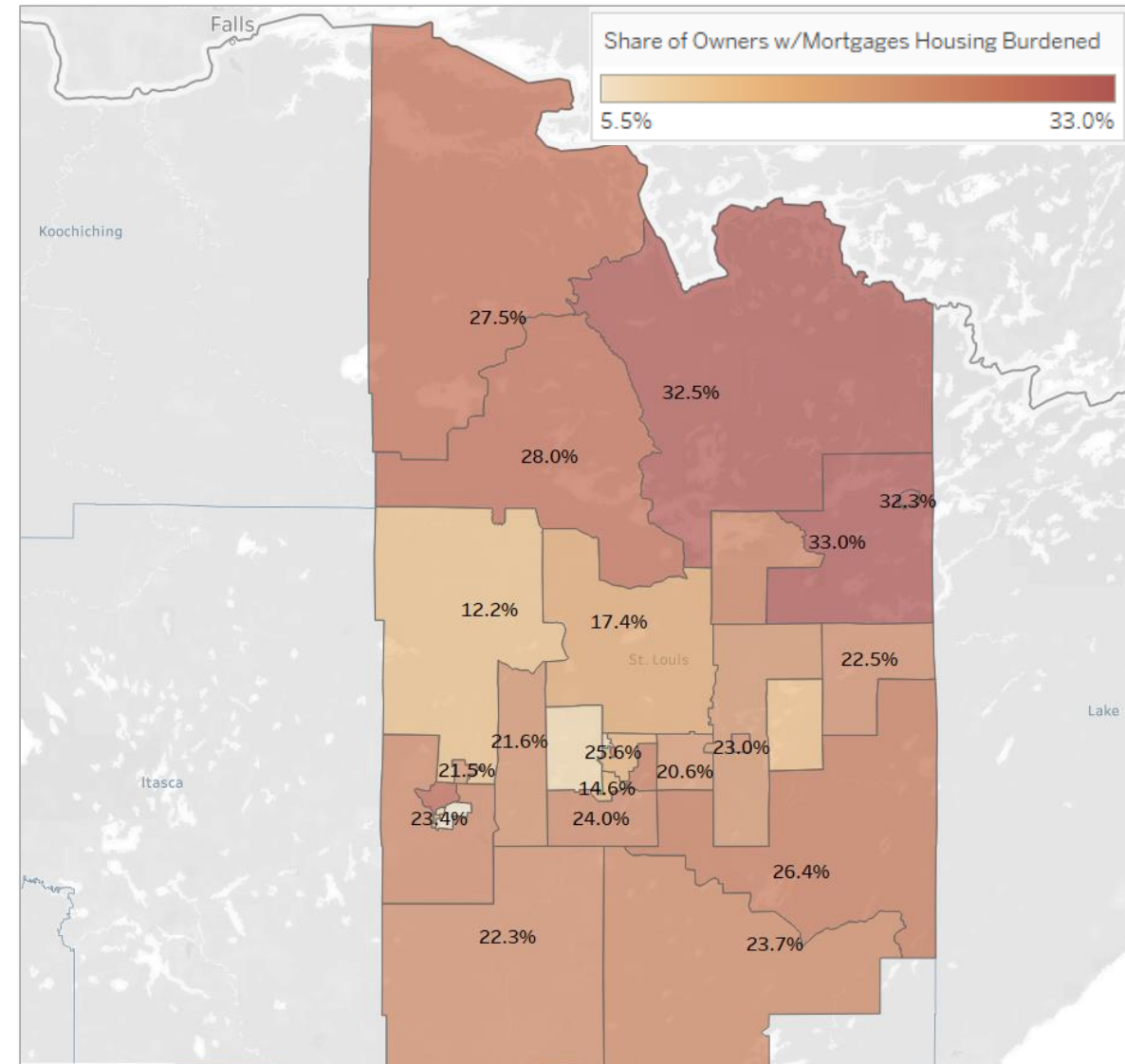
Housing Burden, 2021

- Median Household income in SLC, not including Duluth: \$67,181
 - Increased 5.1% from 2019
 - MN: +4.2%
 - Duluth: +11%
- 42.6% of Northern St. Louis County renting households pay more than 30% of their incomes
- 23.5% of Northern St. Louis owning (w/mortgages) households pay more than 30%



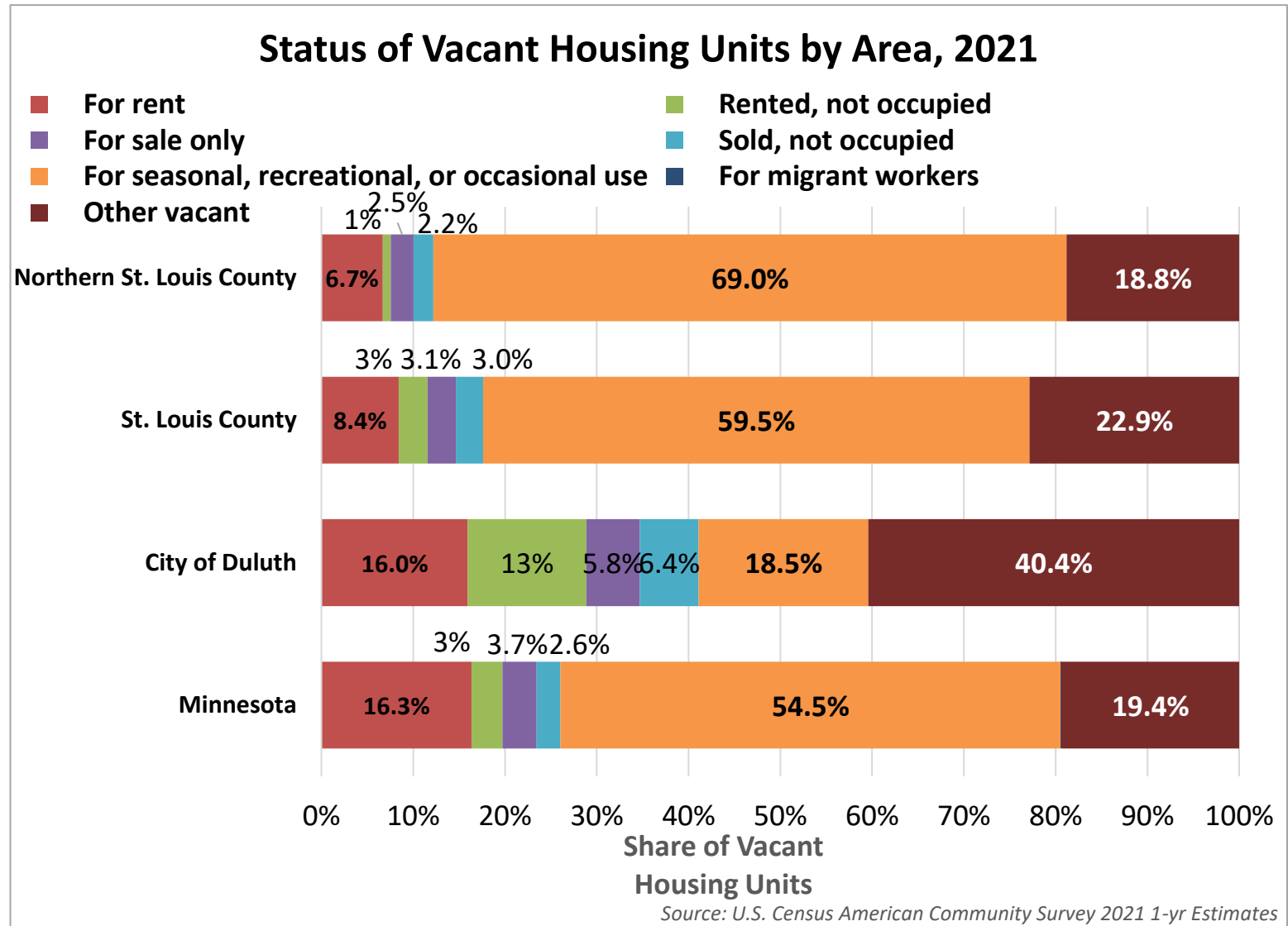
Housing Burden, 2021

- Median Household income in SLC, not including Duluth: \$67,181
 - Increased 5.1% from 2019
 - MN: +4.2%
 - Duluth: +11%
- 42.6% of Northern St. Louis County renting households pay more than 30% of their incomes
- 23.5% of Northern St. Louis owning (w/mortgages) households pay more than 30%



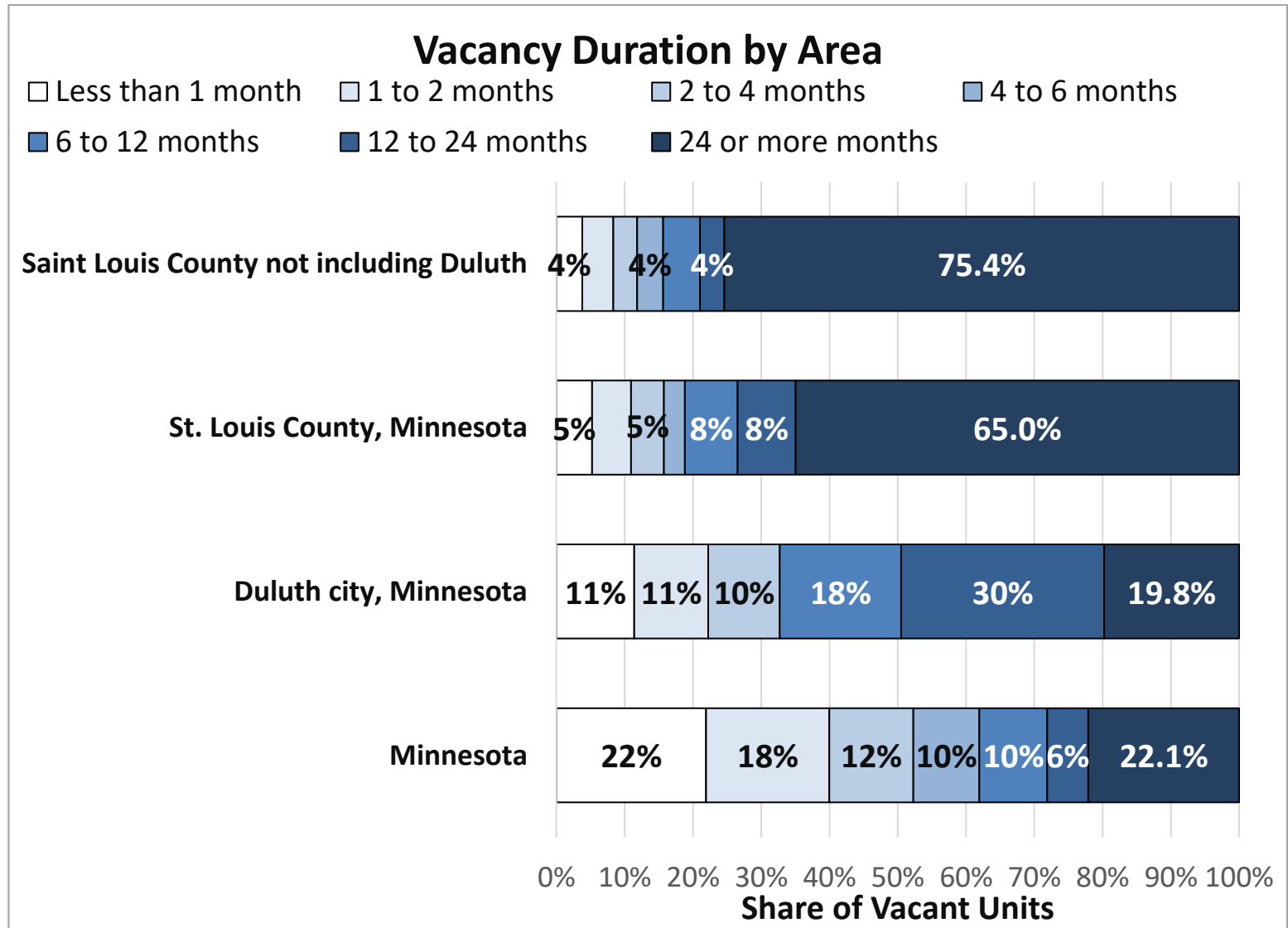
Underutilization?

- Nearly 15,000 (23%) vacant housing units in N. SLC
- vacancy rates are much lower (6.7% for rented and 0.9% for owned)
- 69% of area vacant units were for seasonal, recreational, or occasional use
- 75% of vacancies in N. SLC were for more than 2 years



Underutilization?

- Nearly 15,000 (23%) vacant housing units in N. SLC
- vacancy rates are much lower (6.7% for rented and 0.9% for owned)
- 69% of area vacant units were for seasonal, recreational, or occasional use
- 75% of vacancies in N. SLC were for more than 2 years



Putting it Together

- Rising wages have not kept up rising housing costs
- An older and aging housing stock + high rates of vacancies = limited supply of housing units
- Without much public transportation, it is even more important to have housing near employment centers
- NE MN and SLC still may retain a competitive advantage in relative housing affordability

10/31/2022

HOME > ECONOMY

The housing crisis and the labor shortage are linked: People can't take jobs if there aren't affordable homes nearby

Ben Winck and Andy Kiersz Oct 23, 2021, 5:20 AM



A "Help Wanted" sign hangs in the window of Gino's Pizza on Main Street in Patchogue, New York on August 24, 2021. Steve Pfost/Newsday RM/Getty Images

android 
If **protecting data matters**
Choose Android Enterprise
Secure your team's devices
with Google Play Protect
[Learn more](#)



U.S. mortgage rates hit 20-year high, top 7 percent after Fed hikes

**EMPLOYMENT AND
ECONOMIC DEVELOPMENT**

Carson Gorecki

- ## DEED's Regional Analysts

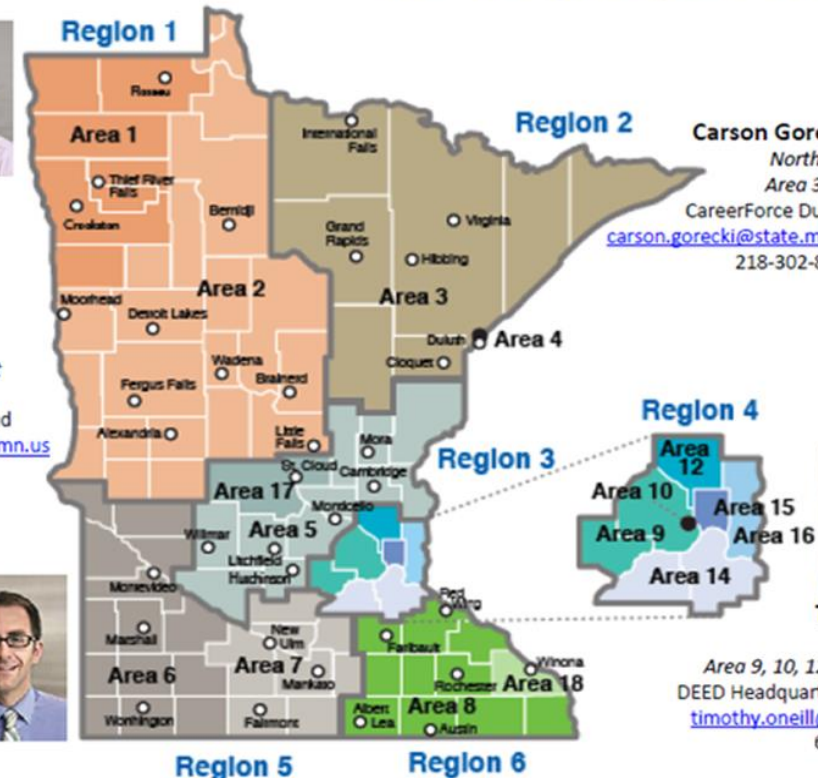
Anthony Schaffhauser
Northwest
Area 1 & 2
CareerForce Bemidji
anthony.schaffhauser@state.mn.us
320-441-6594



Luke Greiner
*Central & Southwest
 Area 5, 6 & 17*
 CareerForce St. Cloud
luke.greiner@state.mn.us
 320-308-5378



Cameron Macht
Regional Analysis &
Outreach Unit Manager
CareerForce Willmar
cameron.macht@state.mn.us
320-441-6596



Carson Gorecki
Northeast
Area 3 & 4
CareerForce Duluth
gorecki@state.mn.us
218-302-8413





Tim O'Neill
Twin Cities
 Area 9, 10, 12, 14, 15 & 16
 DEED Headquarters – St. Paul
timothy.oneill@state.mn.us
 651-259-7401

